

# **RETIREMENT AND INDEPENDENT ENTITIES INTERIM COMMITTEE MEETING**

11/12/2014 DRAFT

## **URS' Summary of Items for the 2015 "Utah Retirement Systems Amendments" Bill**

### **1. Military service credit purchase governing law clarification**

- 49-11-402: Clarifies that the Section 49-11-402 provisions for member purchases of military service only apply to periods not covered under the federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

### **2. Service credit purchases for exempt employees**

- 49-11-403: Allows a purchase of public service credit for employment with a participating employer in a qualifying position for which the individual filed a written request for exclusion from membership in a system.

### **3. Retiree reemployment**

- 49-11-505:
- Clarifies that if a retiree received incorrect benefits because of a violation of reemployment restrictions, the office shall:
  - cancel the retiree's retirement allowance; and
  - if the retiree applies for a future benefit, recover any overpayment.
- Clarifies that the "amortization rate" contributed by a participating employer who reemploys a qualifying retiree means the amortization rate to be applied to the system that would have covered the retiree if the retiree's reemployed position were deemed to be an eligible, full-time position within that system.

### **4. Employer contributions**

- 49-11-601 and 49-11-603:
- Changes the deadline from 60 days to 30 days for participating employers to submit reports about employees to the office after the end of each pay period.
- Makes penalty provisions consistent for participating employers' delinquent contributions.

### **5. Domestic relations order benefits**

- 49-11-612: Clarifies existing policy regarding court orders not modifying statutory benefits.

## **6. Employer records**

- 49-11-616: Eliminates the requirement for participating employers to forward to the office certain documentation relating to terminated employees and requires the employers to maintain such records and make them available to the office upon request to demonstrate compliance.

## **7. Definition of “Benefits normally provided”**

- 49-12-102: Clarifies that "Benefits normally provided" specifically includes employer contributions to a health savings account, health reimbursement account, health reimbursement arrangement, or medical expense reimbursement plan.

## **8. Technical corrections**

## **URS' Summary of Items for the 2015 "Utah Retirement Systems Revisions" Bill (Tier II Related Changes)**

### **1. Employer exclusions from membership in systems**

- 49-12-203, 49-13-203, and 49-22-205: Clarifies that the maximum number of positions (50 positions or 10% of the employees, whichever is less) that a municipality, county, or political subdivision may exempt from participation with the URS applies to the total number of exempted positions for employees covered under both the Tier I and Tier II retirement systems.

### **2. Tier II election period**

- 49-22-201 and 49-23-201: Eliminates the requirement for a member to make an election, within 30 days from the date of eligibility for accrual of benefits, to participate as a: (1) member for service credit and defined contributions under the Tier II hybrid retirement system; or (2) participant for defined contributions under the Tier II defined contribution plan. This leaves the provision that the member's election is irrevocable beginning one year from the date of eligibility for accrual of benefits.

### **3. System membership for legislators and full-time elected officials**

- 49-22-201: Clarifies that a legislator or full-time elected official with previous service credit in the Tier I or Tier II hybrid retirement system, will continue in the Tier I or Tier II Hybrid System for which the legislator or full-time elected official is eligible.

### **4. Effect of member exclusions from membership in systems**

- 49-22-203, 49-22-205, 49-22-303, 49-22-401, 49-23-203, and 49-23-401: Modifies provisions for Tier II eligible members who are in a qualifying position and file a written request with URS for exclusion from membership in a system, including:
  - specifying additional Tier II positions that are eligible to file for an exemption from participation;
  - clarifying the applicability of contribution vesting periods for exempted Tier II members; and
  - clarifying the effect of elections to exempt for Tier II members.

### **5. Defined contribution plan death benefits**

- 49-22-503 and 49-23-504: Provides that if an active member dies, employer nonelective contributions made on behalf of the member to a defined contribution plan are exempt from the vesting requirements and vest to the member upon death.

### **6. Technical corrections**